DOCUMENT RESUME

ED 157 627 PS 010 054

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TITLE A Working Paper on Child Day Care Policy Proposals for the State of Minnesota.
INSTITUTION Ramsey County Child Care Council, Inc., St. Paul, Minn.
PUB DATE 29 Jun 78
NOTE 12p.; Prepared for Governor's Task Force on Families

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS Child Care; *Day Care Services; Early Childhood Education; *Policy Formation; Public Policy; Social Services; *State Aid; *State Legislation; State Programs; Welfare Services; *Working Women
IDENTIFIERS *Minnesota

ABSTRACT

This position paper argues that public and private policies in Minnesota are not responsive to the large scale entry of women into the labor force and proposes a series of basic long-range strategies and specific child day care policies aimed at allieviating the hardships and inequities existing for working women and their families. It is suggested that Minnesota should review state and federal policies to determine which policies should be continued and/or altered, and what new policies should be enacted. Four long-range strategies are proposed: (1) introducing flexibility into the structure of work, (2) providing support for supplying formal child day care services, (3) providing assistance to parents in purchasing child day care services, and (4) making supportive child development services available to all formal and informal child care services. Sixteen specific policy proposals pertaining to these long-range strategies are presented. (CM)

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ED157627

A WORKING PAPER ON CHILD DAY CARE POLICY PROPOSALS FOR THE STATE OF MINNESOTA

Prepared for the
Governor's Task Force on Families
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June 29, 1978

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The purposes of this working paper are to propose, first, that the large-scale entry of women into the labor force has dramatically changed American society, but that public and private institutions have largely failed to recognize and respond to these changes resulting in considerable hardship and inequity for working women, their families and especially their young children, and second, that the State of Minnesota should adopt a series of basic, long-range strategies and specific child day care policies if it is to positively influence the shaping of a better life for Minnesota's young children and their families.

Working Women

It may well be that the single, most significant social and economic reality of this century is the large-scale movement of women into the labor force.

Women have always contributed to society's economic life. They have worked in the home carrying out domestic responsibilities, raising children, and especially in earlier times, producing goods at home for sale in the market. The phenomenon of the twentieth century, however, is the increasing proportion of women working away from their homes.

In 1920, for example, only 20% of all women 16 years and over were in the labor force. Today, nearly half of all women are in the labor force. By 1990, we can expect that one out of every two American workers will be a woman.[1]

Most of the women in the labor force today are married, living with their husband, and more likely than not have children under 18 years of age. The category of female workers who are single, separated, widowed or divorced, of whom a large proportion have young children, almost equals the number of never married women in the labor force. In fact 39% of all women in the labor force have children, 32% have children under 13 years of age, and 15% have children under the age of six years.[2]

The forces that brought women into the labor force are varied. Unlike World War II, women are not being drawn into the labor market by a national crisis but by powerful economic, social, demographic and attitudinal changes of which economic changes are the most common. Women must work to support themselves, their unemployed or underemployed husbands, and to keep up with inflation and our changing notion of what constitutes a decent standard of living. For example, two-thirds of the working mothers in the nation are either single or have husbands who earn less than $10,000 per year and, therefore, must work in order to support or help support their families. Other forces encouraging women to enter the labor market are divorce, increasing education levels, the desire for achievement and satisfaction which can't be totally met in the home, lower reproductive rates, longer life spans, changing attitudes among younger people, and diminishing social prejudices as well as legislation promoting equality of opportunity for women.

Women are a significant and permanent part of our labor force.

Hardships and Inequities

Despite this dramatic change, however, important public and private policies are still based on an earlier value system which ignores the fact that women are a significant part of the labor force.

Rather than trying to accomodate, even encourage change, our response has been to hide from the fact, and the results have been hardships and inequities for working women, their families, and especially their young children.

For example, many women are still the victims of occupational segregation, suffer from low earnings, and have limited opportunities for advancement despite recent legislation. A large proportion of women heading families live in poverty with virtually no chance of improving their circumstances. The heavy burden implicit in women's dual responsibility for home and job has not been sufficiently eased by a sharing of housework and child care on the part of men. New stresses in the lives of women with children caused by divided loyalities to family and career may be giving rise to physical and emotional problems and putting new pressures on family life. And finally and maybe most significantly, the unavailability of satisfactory and affordable child care during working hours is a major problem.

Child Day Care

Once we accept the fact that working women are a permanent part of American life, we should be prepared to alter public and private policies to remedy the existing hardships and inequities and, specifically, to assure the young children of working mothers the care and nuturing they need to grow and develop to their full potential.

Traditionally, concern over the care of young children has been a secondary objective for policy-makers, what we might call a "reactive" economic facilitator. Child day care services have been a means to another end, and more often than not, the children's welfare has been of secondary concern.

For example, the crisis of World War I brought large numbers of women into the labor force and resulted in the first surge in the establishment of day care centers. The Great Depression lead to the establishment of W.P.A. and other job programs which hired large numbers of women who needed child care and teachers who needed classrooms, and the first major growth in day care centers and nursery schools took place. World War II created so many jobs outside the home for mothers that Congress passed the Lanham Act to provide free or nominal fee care for thousands of children. The programs of the Great Society brought about full employment, WIN, and other programs which placed mothers in jobs, and there was again a surge in public support for financing child day care services. After each rise in public support for child care prior to the 1950's, there was a falling off of support as the national crisis ended and mothers returned to the home.

During the past two decades, however, the need for child day care hasn't subsided because women who were drawn into the labor force have stayed on the job. Women, and especially mothers of young children, are now a permanent fixture in the labor force, and public and private sector policies regarding the care and nuturing of children must be altered to accomodate the needs of working families and young children.

Today, 38% of the children under the age of six years have mothers in the labor force, and that represents at least 100,000 children in the State of Minnesota.[3] There are an estimated 170,000 children between the ages of six and 13 years with mothers in the labor force. Most of the children under six years are cared for through informal child care arrangements with other family members (20%), relatives (20%), caregivers in the parents' homes (15%), or unlicensed care in the caregivers' homes (20%). Only about 20% of the children receive care in formal or licensed centers and family day care homes.[4] (The State Planning Agency will publish up-to-date data on child day care arrangements from their state-wide survey later this year.)

While different studies find different patterns of utilization all studies agree that the dominant child care arrangements are not licensed and, furthermore, most parents are happy with the person or place taking care of their child or children.[5] However, there are still many parents who can't find or afford the $1700/year/child necessary to purchase satisfactory child care arrangements or have a higher preference for another type of arrangement, and the number keeps increasing each year as more and more children need care and fewer and fewer parents can rely on relative or neighbor arrangements for care.[6]

Need for New Public Policies

Working women, their families, and their children are a new social and economic reality in American Society. Old beliefs and values are slowly giving away to new ones, and the State of Minnesota should adopt a series of basic, long-range strategies and specific policies regarding child day care if it is to positively influence the shaping of a better life for Minnesota's young children and their families.

POLICY PROPOSALS

Goal

The State of Minnesota's goal should be to assure all families with young children needing child day care that their children will have the opportunity to grow and develop to their full potential, taking into account the following principles:

(1) child care services should be viewed as supplemental care which supports the family;

(2) child care services should be responsive to parents' as well as children's needs; and

(3) child care services should have access to supportive child development services in order to assure that young children receive the care and nurturing they need.

Strategies

To achieve this goal, four basic long-range strategies should be pursued by the State.

1. Flexibility should be introduced into the structure of work. A more flexible work structure would reduce or eliminate the need for non-family care in many cases. "Flextime", job sharing, shorter days, meaningful part-time jobs, parenting leaves, and similar changes in the structure of work could allow working mothers and fathers to better deal with their dual roles as workers and caregivers. For example, a six-hour day, 36 week year could eliminate the need for care of schoolage children; shared jobs could allow mothers and fathers to care for their children; and parenting leave to care for a sick child could eliminate many of the dangerous arrangements parents are forced to make because the parent has to be at work.

2. Support should be provided for supplying formal child day care services. New family day care home and center services should be recruited and licensed when there is an inadequte supply of services, and new types of child care services should be formalized such as registered in-home child care attendant. Building and zoning codes should be amended to encourage the establishment of child day care services while maintaining safety; technical assistance in planning and marketing services should be available; and financial support should be provided for capital expenditures.

3. Assistance should be provided to parents in purchasing child day care services. Lower-income families should receive fully subsidized care; moderate income families should receive a partial subsidy and pay a portion of the cost of care based upon a sliding fee schedule; and all families should receive a minimum subsidy in recognition of the fact that child care is an unusually costly work expenditure for families with young children.

4. Supportive child development services should be made available to all formal and informal child care services. Such services would help assure that children receive the care and experience they need in order to grow and develop to their full potential. Whether in a formal or informal arrangement, developmental screening, toy-lending libraries, resource centers, and other supportive services should be readily available.

Policies

In reviewing specific child day care policies, the State should consider State as well as certain Federal policies in terms of, first, existing policies that should be continued, second, existing policies that should be altered, and third, new policies that should be enacted. The following specific policy proposals are organized into four categories according to the strategies listed above.

Flexibility in the structure of work.

1. To enact new legislation testing the impact of a variety of flexible work structures upon family child care arrangements among State employees. The following variations should be included in the test: flextime, 10-hour day, 30-hour week, 36-week year, job sharing, meaningful part-time jobs, and parenting leave with pay (e.g., caring for sick children) and without pay (e.g., long-term). The test should attempt to determine whether or not parents on flexible work schedules use less non-family care, were more satisfied with their child care situation, and were equally satisfied with and productive on their jobs. Rationale: changes in the structures of work which reduced or eliminated the needs for non-family child care while maintaining job satisfaction and productivity would be the most logical as well as the least expensive solution to many child care needs.

2. To enact new legislation providing short-term incentives for employers who introduce flexibility into the structure of work for the purpose of reducing or eliminating the need for non-family child care. The flexibility variations could be similar to those listed above. The amount of tax incentive should be related to the anticipated increase in direct employer costs (e.g., unemployment insurance). Rationale: changes in the structure of work which reduce or eliminate the need for non-family child care would serve a major public policy purpose and be worth the short term loss in revenues.

Support for supplying formal child care services.

1. To amend the licensing law to limit the "education" exclusion from full Department of Public Welfare regulation to facilities providing care for less than 3 hours per day. The law provides for the mandatory regulation of child care centers and family day care homes with certain exclusions. The "education" exclusion has caused several years of confusion and, if implemented as proposed by some, would result in a substantial cost/income differential between fully and partially regulated child care services (e.g., 40%) resulting in much lower-costs/greater-profits for the "educational" programs as well as endanger the care and nurturing of young children. Rationale: one uniform system of regulation should apply to all similar child day care facilities, and the regulations should reasonably assure that the quality of the care and nurturing young children receive is adequate.

2. To increase the appropriation for the Child Care Facilities Act to $2.65 million for the next biennium. The law provided $2.3 million for child care during the fiscal 1978-79 biennium for purposes of initiating, enriching, operating, and providing support for child care services. Rationale: the funds have been a major factor in the development of more and better family day care home and center services throughout all parts of the State.

3. To enact new legislation piloting a voluntary program for the regulation of one-family child day care services and appropriate funds. There is no method by which a person providing care in the parents' home can be recognized or credentialed, and there is no method less demanding than voluntary family day care licensure for one-family arrangements in the providers home. Yet, there are a sizeable number of parents wanting to use these forms of care who also desire some of the benefits of formal child care services (e.g., checking of credentials, standards for care, inclusion in referral system). Rationale: a well-administered program of voluntary regulation could efficiently and effectively regulate many one-family arrangements and, thereby, expand the formal child care system to meet more needs.

4. To enact new legislation providing tax incentives for employers who aid in the resolution of employee child care problems. The incentive should not be limited to the establishment of a center but should include all efforts which will result in the supply of needed child care services for their employees. For example, efforts could also include a referral and "find" service, a special program to provide care for sick children, recruitment and development of family day care homes in specific communities, etc. Rationale: employers' efforts to supply needed child care services will supplement general community efforts and serve the public interest.

5. To enact new legislation providing State support in resolving employee child care problems and appropriate funds. Periodic assessments of employee child care problems should be conducted and the results should be analyzed to determine appropriate and mutually acceptable actions which the State could take to help employees solve their child care problems. Actions could be similar to those described above. Rationale: State efforts to assist employees resolve child care problems will supplement general community efforts and demonstrate that the State is itself carrying out activities which it is encouraging private employers to initiate.

6. To initiate a campaign to recruit more licensed caregivers and appropriate funds. There is a current need for a statewide information campaign to recruit more caregivers, especially licensed family day care homes to care for infant and schoolage children. The Department of Public Welfare should develop and coordinate local efforts to recruit caregivers. Rationale: a campaign which will help recruit the needed supply of caregivers will help families find the care they need.

Assistance to parents in purchasing care.

1. To maintain the current local levels of Title XX fully subsidized child care services for lower-income families, and, if necessary, appropriate funds to maintain those local levels. The planned level of service for FY 1979 was approximately 6,000 full-time slot equilivants at a total cost of $9 million (excluding migrant child care) in Federal and county funds. Rationale: the level of service should not fall below that now available.

2. To enact new legislation initiating a Child Care Sliding Fee Program for lower, middle-income families and appropriate $2.25 million to fund the program. The purpose of the sliding fee is to help families "slide" from no-pay to full-pay as their income rises from 60% of the State median income (cut-off point for Title XX fully subsidized care) to 90% (e.g., for a family of four persons, $10,122 to $15,184). Under the proposed plan, a family would pay 75% of the added income after added taxes for child care. Rationale: the sliding fee would eliminate the "notch" effect and provide families the incentive needed to become economically independent.

3. To amend the State Child Care Tax Credit by increasing the income limit for the full credit from $12,000 to $14,000. The current tax credit provides a 10% refundable credit for families with incomes of less than $12,000 and a proportional reduction for families with incomes between $12,000 and $18,000. Rationale: the increase in the income limit would take the increased cost of living into account.

4. To advocate increasing the Federal Child Care Tax Credit for lower and moderate income families. The current Federal credit is 20% for families of all incomes. The proposal should provide an increase in the Federal credit to 40% for families under $14,000 with provisions for a proportional reduction from 40% to 20% between $14,000 and $20,000. Rationale: the effect would be to move toward a sliding fee system through the tax credit method and, thereby, further reduce the cost of the direct subsidy program.

Supportive child development services.

1. To appropriate funds to expand the Early Childhood and Family Education Program. The 22 pilot programs focus largely on parents and their preschool children, offering a range of services including screening, parent education, toy-lending libraries, center-based activities, and referrals. However, they can and do provide support for family day care home and center providers as well as informal caregivers. Rationale: the program's services and delivery methods can provide the training and support which formal and informal caregivers need to asssure that their services are responsive to the child's full range of developmental needs. (Note: there is a general concern, which is not addressed here, that such services should be provided through a mixed delivery system.)

2. To maintain the Preschool Screening Program. The program, by 1979, will make available a full range of developmental screening services for all preschool children in the State. Rationale: the developmental screening services will provide diagnostic services that will help caregivers and parents address the special developmental needs of individual children.

Related policy proposals.

1. To amend the Homemaker Tax Credit to include family day care providers. The current credit excludes family day care providers because they are employed. Rationale: the credit should be available to family day care providers because, while employed, they are in the home and caring for their own children.

2. To enact new legislation to establish and fund an Office for Young Children and Their Families. While recommended by the State Planning Agency in 1974, no effective action has been taken to provide state-wide leadership in planning, advocating, and coordinating policies and services for young children, thereby, creating an executive-branch vacuum. Rationale: an office should provide the leadership needed to develop and implement better policies and services for young children and their families during this period of potentially rapid expansion. (Note: the Governor's Task Force on the Family appears to be assuming some of these responsibilities.)

CONCLUSION

Families have changed, and there has been a dramatic increase in the need for child day care services as a result of this change. Our values and beliefs, however, have not kept pace with these changes resulting in considerable hardship and inequities for working women, their families, and their children.

The strategies and policy proposals outlined in this working paper would place the State of Minnesota in a position where it could positively influence the shaping of a better life for working parents and their children at a cost that does not appear to be significantly large.

[1] Alan Pifer, Working Women: Toward a New Society (New York: Carnegie Corporation of New York, 1976), pp. 3-4; U.S. Department of Labor, U.S. Working Women: A Data Book (Washington, D.C.: GPO, 1977), p. 1.

[2] U.S. Department of Labor, U.S. Working Women: A Data Book (Washington, D.C.: GPO, 1977), p.19.

[3] U.S. Department of Labor, News Releases 77-792, September 14, 1977.

[4] Estimates derived from eight local surveys in the State of Minnesota and U.S. Department of Health, Education, and Welfare, National Childcare Consumer Study: 1975, Volumn II (Washington, D.C.: DHEW, 1976), pp. A1-A9.

[5] Department of Health, Education, and Welfare, National Childcare Consumer Study: 1975, Volumn III (Washington, D.C.: DHEW, 1976), p. 3-1.

[6] Ibid, p. 3-5.

SUMMARY
CHILD DAY CARE POLICY PROPOSALS
FOR THE STATE OF MINNESOTA

Goal

To assure all families with young children needing child day care that their children will have the opportunity to grow and develop to their full potential.

Strategies and Policies

Flexibility in the structure of work.

1. To enact new legislation testing the impact of a variety of flexible work structures upon family child care arrangements among State employees.

2. To enact new legislation providing short-term tax incentives for employers who introduce flexibility into the structure of work for the purpose of reducing or eliminating the need for non-family child care.

Support for supplying formal child care services.

1. To amend the licensing law to limit the "education" exclusion from full Department of Public Welfare regulation to facilities providing care for less than 3 hours per day.

2. To increase the appropriation for the Child Care Facilities Act to $2.65 million for the next biennium.

3. To enact new legislation piloting a voluntary program for the regulation of one-family child day care services and appropriate funds.

4. To enact new legislation providing tax incentives for employers who aid in the resolution of employee child care problems.

5. To enact new legislation providing State support in resolving employee child care problems and appropriate funds.

6. To initiate a campaign to recruit more licensed caregivers and appropriate funds.

Assistance to parents in purchasing care.

1. To maintain the current local levels of Title XX fully subsidized child care services for lower-income families, and, if necessary, appropriate funds to maintain those local levels.

2. To enact new legislation initiating a Child Care Sliding Fee Program for lower, middle-income families and appropriate $2.25 million to fund the program.

3. To amend the State Child Care Tax Credit by increasing the income limit for the full credit from $12,000 to $14,000.

4. To advocate increasing the Federal Child Care Tax Credit for lower and moderate income families.

Supportive child development services.

1. To appropriate funds to expand the Early Childhood and Family Education Program.

2. To maintain the Preschool Screening Program.

Related policy proposals.

1. To amend the Homemaker Tax Credit to include family day care providers.

2. To enact new legislation to establish and fund an Office for Young Children and Their Families.